

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:

BAMA OAKS RETIREMENT, LLC,

Debtor.

CHAPTER 11

CASE NO. 20-61914-BEM

OBJECTION TO DISCLOSURE STATEMENT

Creditor BOKF, N.A. (“BOKF”) files its objection to the Disclosure Statement (Doc. No. 92) filed by Debtor Bama Oaks Retirement, LLC (“Debtor”) as follows:

1.

Debtor’s primary asset is its ownership of the Gordon Oaks Assisted Living Facility (“Assisted Living Facility”) and the Gordon Oaks Senior Living Center (“Independent Living Facility”), both located at 3145 Knollwood Drive, Mobile, AL 36693.

2.

BOKF is the indenture trustee for (i) \$5,110,000 The Medical Clinic Board of the City of Mobile (Second) First Mortgage Healthcare Facility Revenue Bonds (Bama Oaks Retirement, LLC Project) Series 2012A, (ii) \$630,000 The Medical Clinic Board of the City of Mobile (Second) First Mortgage Healthcare Facility Revenue Bonds (Bama Oaks Retirement, LLC Project) Taxable Series 2012B, (iii) \$10,850,000 The Medical Clinic Board of the City of Mobile (Second) First Mortgage Healthcare Facility Revenue Bonds (Bama Oaks Retirement, LLC Project II) Series 2012A, and (iv) \$850,000 The Medical Clinic Board of the City of Mobile (Second) First Mortgage Healthcare Facility Revenue Bonds (Bama Oaks Retirement, LLC Project II) Taxable Series 2012B.

3.

BOKF holds first priority security interests in the Assisted Living Facility and the Independent Living Facility for the benefit of the bondholders.

4.

The Disclosure Statement, at part II(I), states the Assisted Living Facility has a liquidation value of \$12,000,000 and the Independent Living Facility has a liquidation value of \$6,000,000.

5.

The Disclosure Statement also states BOKF's claim is \$13,390,019.93.

6.

These values are incorrect. BOKF has recently had an appraisal performed on the Assisted Living Facility and the Independent Living Facility. This appraisal shows the Assisted Living Facility has an as-is value of \$6,900,000 and the Independent Living Facility has an as-is value of \$2,300,000. Additionally, as of September 30, 2020, the total amount Debtor owed to BOKF is \$20,823,621.57.

7.

Given these amounts, BOKF objects to the approval of the Disclosure Statement.

8.

Additionally, before filing this Objection, BOKF filed a Motion to Dismiss, for Relief from Stay, or to Appoint a Chapter 11 Trustee ("Motion to Dismiss") (Doc. No. 104).

9.

The Motion to Dismiss should be heard and resolved before the estate incurs expenses related to the solicitation of Debtor's Chapter 11 Plan.

10.

BOKF reserves the right to raise these and any other objections to the Disclosure Statement at the hearing on approval of the Disclosure Statement and to further object to confirmation of the Debtor's Chapter 11 Plan.

Respectfully submitted, this the 2nd day of October, 2020.

/s/ Walter E. Jones

Walter E. Jones
Georgia Bar Number 163287
Patrick Silloway
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Attorneys for BOKF, N.A., in its capacity as indenture trustee for (i) \$5,110,000 The Medical Clinic Board of the City of Mobile (Second) First Mortgage Healthcare Facility Revenue Bonds (Bama Oaks Retirement, LLC Project) Series 2012A, (ii) \$630,000 The Medical Clinic Board of the City of Mobile (Second) First Mortgage Healthcare Facility Revenue Bonds (Bama Oaks Retirement, LLC Project) Taxable Series 2012B, (iii) \$10,850,000 The Medical Clinic Board of the City of Mobile (Second) First Mortgage Healthcare Facility Revenue Bonds (Bama Oaks Retirement, LLC Project II) Series 2012A, and (iv) \$850,000 The Medical Clinic Board of the City of Mobile (Second) First Mortgage Healthcare Facility Revenue Bonds (Bama Oaks Retirement, LLC Project II) Taxable Series 2012B

CERTIFICATE OF SERVICE

I hereby certify that on October 2, 2020, I electronically filed the foregoing Objection to Disclosure Statement with the Clerk of the Court by using the Court's CM/ECF system, which will serve a notice to all counsel of record by placing a copy of the same in the United States mail, postage prepaid to the attached certified matrix:

/s/ Walter E. Jones

Walter E. Jones

Georgia Bar Number 163287